

Executive Office of Health and Human Services

POS Policy Office

December 2009 Salary Reserve Update

Special Guidance for the 2009 Salary Reserve:

The Salary Reserve is typically allocated as a wage increase, and each provider's allocation in one year is annualized into its contracts for the following year. Due to funding limitations and uncertainty regarding the 2010 fiscal situation, the 2009 Salary Reserve will not be annualized into the 2010 Commonwealth budget. Therefore, the allocation that provider organizations receive in 2009 will not be carried over into 2010 contracts.

Because of this, providers shall allocate the Salary Reserve as a one-time compensation adjustment, or, "bonus" to eligible employees. The same eligibility criteria apply, and the same guidelines regarding equitable distribution within a provider organization are in force. Providers should refer to the posted Salary Reserve Policies and Procedures and Frequently Asked Questions documents for additional information.

EOHHS will disburse Salary Reserve funds in three payments as follows:

- Half of the total allocation will be paid to providers in the first installment. The timing for the receipt of this first installment will depend on the timing of EOHHS' receipt of a fully executed Salary Reserve contract from the provider organization
- One quarter of the total allocation will be paid to the provider organization on March 30, 2009;
- One quarter of the total allocation will be paid to the provider organization on June 30, 2009.

Providers should refer to Attachment A of the 2009 Salary Reserve contract for guidance regarding the timeline of funds disbursement to employees and for additional guidelines regarding the use and allocation of the funds.